

Functional Series 200: USAID Program Assistance  
ADS Chapter 201 - Managing for Results: Strategic Planning

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201.6	Supplementary Reference

Strategies for Sustainable Development\*  
Implementation Guidelines\*

Agency Strategic Framework (reserved)  
**[removed Guidance on Consultation and Avoidance of Unfair  
Competitive Advantage]**

\*Note: Were previously released as official documents by the Agency.

Legal and Policy Considerations when Involving Partners and Customers  
on Strategic Objective Teams and Other Consultations

201.7 Mandatory Reference

Series 300, Interim Update #5, Policy Notice Re-issuance, dated  
September 18, 1996

Series 300, Interim Update #8, Waiver of the Host Country Contribution  
Requirement for Relatively Least Developed Countries, effective February  
1, 1999

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201.1 Authority

1. The Foreign Assistance Act (FAA) of 1961, as amended
2. The Government Performance and Results Act of 1993, Public Law 102-62 (GPRA)
3. Chief Financial Officers Act of 1990, Public Law 101-576 (November 15, 1990)
4. Government Management Reform Act of 1994, Public Law 103-356 (October 13, 1994)
5. Agricultural Trade and Development and Assistance Act of 1954, as amended (P.L. 480)
6. Support for Eastern European Democracy Act of 1989
7. Federal Manager's Financial Integrity Act of 1982
8. FREEDOM Support Act of 1992

201.2 Objective

The objective of this chapter is to ensure that strategic planning is effectively used in the management of Agency assistance programs and is serving the following purposes;

- To ensure that the efforts of the Agency's operating units are directed toward achieving significant development impact in priority areas through a participatory process involving stakeholders, partners, and customers.
- To provide a structure which allows operating units to make program choices and effectively respond to evolving circumstances.
- To establish a framework for monitoring the progress and effectiveness of the Agency's programs in accomplishing its objectives and allocating Agency resources.

201.3 Responsibility

1. Bureau for Policy and Program Coordination (PPC): PPC is

responsible for:

- a) Establishing Agency policy regarding strategic planning requirements;
- b) Developing and articulating the Agency's strategic plan and framework;
- c) Issuing annual planning guidance to include resource parameters and program priorities in a timely manner;
- d) Providing guidance on any special legislation which affects strategic planning;
- e) Reviewing and approving supplemental planning guidance issued by the operating bureaus;
- f) Reviewing and concurring with operating unit strategic plans for conformance with Agency goals and program policies;
- g) With the M Bureau, conducting the Agency reviews of bureau budget submissions and ensuring that performance and results information is used in budget allocation decisions;
- h) Establishing and maintaining a monitoring system for Agency goals and objectives;
- i) Coordinating the review of Agency performance, and reporting on that performance;
- j) Providing technical leadership in developing Agency and operating unit performance monitoring and evaluation systems;
- k) Evaluating the effectiveness of Agency program strategies and other strategies used by operating units to achieve objectives;
- l) Conducting evaluations on issues related to the delivery of development assistance of interest to the Agency or its stakeholders;
- m) Maintaining the Agency's database of development information and development experience and acting as a repository for Agency lessons learned; and
- n) Supporting its operating units in achieving approved objectives, and reviewing annually those units' performance in

achieving their objectives.

2. Bureau for Management (M Bureau): M Bureau is responsible for:
  - a) Analyzing the resource requirements necessary to meet Agency goals;
  - b) Establishing indicative budget planning levels for operating bureaus in a timely manner;
  - c) Reviewing and concurring with operating unit strategic plans for consistency with anticipated resource availability;
  - d) Conducting the Agency review of bureau budget submissions with PPC;
  - e) Ensuring that performance and results information are used in Agency resource allocation decision making;
  - f) Preparing the Agency's annual budget request for OMB and Congress;
  - g) Monitoring budget implementation;
  - h) Assisting PPC with establishing and maintaining the monitoring system for Agency goals and objectives, and reviewing and reporting on overall Agency performance; and
  - i) Ensuring within the Agency the provision of procurement, human resource management, financial management and other support services to facilitate the achievement of operating unit and Agency objectives.
3. Office of General Counsel (GC): GC is responsible for:
  - a) Assuring that proposed activities are in compliance with all legal requirements;
  - b) Assuring that such activities and their implementation were not in violation of any prohibitions against assistance; and
  - c) Ensuring that agreements with host countries, and other agreements as appropriate, meet the agency's requirements.
4. Regional Bureau: Each regional bureau is responsible for:

- a) Providing oversight and support to operating units in the strategic planning process, ensuring that strategic plans are in place for each operating unit;
- b) Providing supplemental policy guidance addressing concerns unique to the region as necessary;
- c) Establishing indicative country levels for budget planning prior to the initiation of the strategic planning process and the annual results review and resource request (R4) submission;
- d) Managing the Agency review of strategic plans for operating units under its authority;
- e) Reviewing strategic plans from its operating units as well as those from Global Bureau (G Bureau) and Bureau for Humanitarian Response (BHR) operating units for consistency with regional priorities and geopolitical considerations;
- f) Approving country and regional strategic plans under its purview with concurrence from M Bureau, Policy and Program Coordination (PPC), General Counsel (GC), BHR (as appropriate), and G;
- g) Managing the review of results review and resource request submissions for operating units under its authority, and preparing the bureau budget submission;
- h) Providing an analytic overview of results in the region in conjunction with the annual bureau budget submission;
- i) Supporting its respective operating units overseas and, in USAID Washington (USAID/W), in achieving approved objectives, pursuant to the management contracts established following the review and approval of strategic plans;
- j) Reviewing and assessing the performance of each of its operating units in achieving that unit's objectives;
- k) Coordinating the participation in these reviews of PPC, M Bureau, G Bureau, and BHR; and
- l) Participating in the review of overall Agency performance.

5. Global Bureau (G Bureau): G Bureau is responsible for:

- a) Assisting overseas and USAID/W operating units by providing technical leadership and guidance in the development and review of strategic plans;
- b) Organizing the provision to all operating units of central technical resources which are relevant to implementation of strategic plans;
- c) Providing assistance to PPC in establishing and maintaining the monitoring system for Agency goals and objectives;
- d) Participating in regional bureau reviews of field mission performance, and in the review of overall Agency performance;
- e) Providing oversight and support to its own operating units in developing their strategic plans, ensuring appropriate consultation in this process with operating units in the field, managing the Agency review of those plans, and approving the plans with concurrence from M, PPC, GC, BHR (as appropriate) and regional bureaus;
- f) Supporting its operating units in achieving approved objectives, and reviewing (in consultation with PPC, M, BHR and regional bureaus) and reporting annually those units' performance in achieving their objectives; and
- g) Managing the review of results review and resource request submissions for operating units under its authority, and preparing the bureau budget submission.

6. Bureau for Humanitarian Response (BHR): BHR is responsible for:

- a) Providing technical leadership and guidance in planning and implementation to all operating units in the area of humanitarian assistance, food aid, and programs which are in transition from relief to development as appropriate;
- b) Reviewing operating unit strategic plans to assure humanitarian, disaster relief, food aid, and transitional concerns are appropriately addressed, and participating in other bureau reviews of their respective operating units' performance;
- c) Organizing the provision of resources under its purview relevant to implementing strategic plans;
- d) Providing oversight and support to its own operating units in developing their strategic plans;



e) Ensuring appropriate consultation with operating units in the field;

f) Managing the review and approval of strategic plans for operating units under its authority, with concurrence from M, PPC, GC, regional bureaus, and G; and

g) Managing the review of results review and resource request submissions for operating units under its authority, and preparing the bureau budget submission along with an analytic overview of results in its programs.

7. Operating Units: Operating units are responsible for:

a) Developing strategic plans for program funds for which they have responsibility and authority;

b) Ensuring the participation of other interested USAID offices, partners, customers, and relevant stakeholders throughout planning, achieving and performance monitoring and evaluating;

c) Within the scope of its management contract, delegated authorities, and Agency directives, managing the implementation of the strategic plan, including establishing and defining authorities for strategic objective teams, achieving the objective(s) set forth in the plan, and reviewing performance and reporting annually on that performance to their respective bureaus;

d) During the course of implementation, ensuring that their strategic objective teams gather and use performance information to manage for results, and that adequate resources are programmed for performance monitoring and evaluation.

8. Strategic Objective Team: A strategic objective (SO) team is responsible for managing to achieve a specific strategic objective under the direction of an operating unit. The SO team's specific responsibilities include:

a) Establishing its internal operating rules and procedures (consistent with its delegated authorities);

b) Involving customers and partners in collecting, reviewing and interpreting performance information, and assuring that agreed-to customer needs are addressed through activities being implemented;

- c) Grouping, as appropriate, results and associated activities from the SO's results framework into results packages (and regrouping as necessary);
- d) Allocating resources associated with achieving the objective;
- e) Developing and implementing (within subteams if appropriate) necessary and effective activities, contracts, grants and other agreements;
- f) Monitoring, analyzing and reporting on performance against established performance criteria, and taking corrective action as necessary;
- g) Using evaluative activities to determine why assistance is or is not achieving intended results;
- h) Recommending to the operating unit any changes to an objective or the strategic plan;
- i) Preparing appropriate close-out reports, including resources expended, accomplishments achieved and lessons learned;
- j) With respect to the strategic objective team leader, organizing, coordinating, coaching and inspiring the team to achieve the set of results leading to the strategic objective; and
- k) With respect to each strategic objective team member, advancing a common team effort to achieve the strategic objective assigned to the team, and implementing his or her specific responsibilities and authorities on that team.

#### 201.4 Definitions (See GLOSSARY)

Activity  
Activity Manager  
Agency Goal  
Agency Mission  
Agency Objective  
Agency Program Approach  
Agency Strategic Plan  
Agency Strategic Framework  
Agent  
Agreement  
Assistance Mechanism  
Baseline

Causal Relationship  
Core Team (See also Expanded Team and Strategic Objective Team)  
Critical Assumption  
Customer (See also Intermediate Customer and Ultimate Customer)  
Customer Representative  
Customer Service Plan  
Customer Surveys  
Development Experience  
Development Information  
Evaluation  
Expanded Team (See also Core Team and Strategic Objective Team)  
Global Programs Or Activities  
Goal  
Implementation Letters  
Indicator  
Input  
Interim Performance Target  
Intermediate Customer (See also Customer and Ultimate Customer)  
Intermediate Result  
Joint Planning  
Lesson Learned  
Limited Scope Grant Agreement  
Manageable Interest  
Management Contract  
Memorandum Or Letter Of Understanding  
New Management Systems  
Objective (See Agency Objective)  
Obligation  
Operating Unit  
Operating Unit Goal  
Output  
Parameter  
Participation  
Partner  
Partner Representative  
Partnership  
Performance Baseline  
Performance Indicator  
Performance Information  
Performance Monitoring  
Performance Monitoring Plan  
Performance Monitoring System  
Performance Target  
Portfolio  
Rapid, Low-Cost Evaluations  
Responsibility

Result  
Results Framework  
Results Package  
Results Package Data Base  
Results Review And Resource Request (R4)  
Review Workshops  
Special Objective  
Stakeholders  
Strategic Objective  
Strategic Objective Agreement  
Strategic Plan  
Strategic Support Objective  
Subgoal  
Strategic Objective Team (See also Core Team and Expanded Team)  
Target  
U.S. National Interest  
Ultimate Customer (See also Customer and Intermediate Customer)  
Value Engineering  
Virtual Team

201.5 POLICY

The statements contained within the .5 section of this ADS chapter are the official Agency policies and corresponding essential procedures.

201.5.1 AGENCY STRATEGIC PLAN

The Agency will establish an Agency strategic plan for its programs which shall:

- Define the broad strategic framework within which operating unit strategic plans will be developed.
- Articulate what the Agency expects to achieve in facilitating sustainable development world-wide and by incorporating the needs of the Agency's customers.
- Define USAID goals and priority objectives which contribute to the Agency mission of sustainable development.
- Establish a basis for allocating resources against relevant factors (priority sectors, geopolitical considerations, country sustainable development needs, and desired Agency-wide results).
- Serve as the basis for presenting the Agency's programs and budget requests to Congress and the public.

The strategic plan shall be developed in accordance with the requirements established in the Government Performance and Results Act (GPRA) and shall be consistent with the findings of the Agency Customer Service Plan.

#### E201.5.1 The Agency Strategic Plan

The Agency strategic plan shall be developed by PPC, in consultation with M, G, BHR, and regional bureaus. In developing the plan, PPC shall lead the Agency in a broadly consultative process involving Congress, State Department, and other interested stakeholders, partners, and customers. (See Supplemental Reference, Strategies for Sustainable Development and Implementation Guidelines.)

The Agency strategic plan will be amended as necessary based on significant changes in U.S. national interests, geopolitical considerations, country and customer needs, progress or lack of progress in achieving Agency goals and objectives, and/or new technical knowledge in a sector.

PPC and M Bureau shall use the Agency strategic plan as a basis for analyzing and presenting information on programs and performance for annual internal strategy and performance reviews. The plan will also provide the basis for analyzing and presenting information on program plans, budgets, and performance to meet external reporting requirements, including Congress (for GPRA reporting, OMB performance reviews, Congressional Presentations and testimony).

#### 201.5.2 THE AGENCY STRATEGIC FRAMEWORK

The Agency will establish an Agency strategic framework which graphically depicts the Agency's strategic plan. The framework will:

- Articulate the essence of the Agency strategic plan in graphic form;
- Provide the framework within which operating unit strategic plans will be developed by laying out Agency goals and objectives;
- Serve as a basis for tracking progress toward Agency goals and objectives;
- Provide an organizing framework for periodic internal Agency strategy and performance reviews, including programming and budget allocation decisions; and
- Serve as a basis for presenting information on the Agency's programs, budget requests, and performance to external

audiences, including Congress.

The Agency strategic framework shall be developed in accordance with the requirements of the Government Performance and Results Act (GPRA) and shall be consistent with the findings of the Agency Customer Service Plan.

E201.5.2      The Agency Strategic Framework

The Agency strategic framework is a tool for communicating USAID's development strategy and shall directly reflect the Agency strategic plan. The Agency strategic framework establishes an organizing basis for strategy and performance reviews, budgeting, and external reporting requirements. Operating unit strategic plans and regional planning frameworks must contribute to the Agency-wide goals and objectives represented in the Agency strategic framework.

The Agency strategic framework will lay out the linkage between program approaches, Agency objectives, Agency goals and the Agency mission. PPC is responsible for developing the Agency strategic framework and for periodically revising it to reflect any adjustments to the Agency strategic plan, in consultation with central and regional bureaus.

201.5.3      REGIONAL PLANNING FRAMEWORK.

Special circumstances or unique foreign policy concerns may warrant the development of a bureau level regional planning framework. Such a framework must be developed in consultation with PPC, and shall identify assistance objectives or define unique program priorities within a specific region. Such objectives and priorities shall be consistent with the Agency's stated overall mission and goals, and shall be developed in accordance with GPRA requirements and any other specific legislative requirements.

E201.5.3      Regional Planning Framework - N/A

201.5.4      PURPOSE OF OPERATING UNIT STRATEGIC PLANS

Operating unit strategic plans constitute the essential building block of the Agency's programming system. The approved strategic plan will represent an Agency-wide commitment to an agreed strategic direction and set of results at the strategic objective level, to be accomplished by that operating unit over the planning period. A strategic plan shall:

- Develop a limited number of strategic objectives and special objectives which encompass all development activities managed by

that unit (See 201.5.9);

- Define how those objectives will contribute to the accomplishment of Agency goals and objectives as defined in the Agency strategic plan;
- Articulate the development hypothesis which demonstrates the feasibility of achieving the objective;
- Estimate the resources needed to accomplish those objectives; and
- Establish the framework for subsequent monitoring of the performance of the programs for which it is responsible in order to accurately demonstrate impact.

E201.5.4 Purpose of Operating Unit Strategic Plans - N/A

#### 201.5.5 APPLICABILITY OF STRATEGIC PLANNING REQUIREMENTS FOR OPERATING UNITS

Every operating unit which manages program resources shall have an approved strategic plan in place to govern the use of the program resources under its authority as well as the related staff and operating expenses required to manage those funds, except as provided under exceptions and special cases (See 201.5.5d).

E201.5.5 Applicability of Strategic Planning Requirements for Operating Units - N/A

#### 201.5.5a PLANNING FOR COUNTRY PROGRAMS MANAGED IN THE FIELD

Planning for country programs will encompass all USAID program resources proposed for allocation to the country, including those proposed in support of centrally-managed global programs, regional programs, food aid, housing guarantees, and research activities.

Activities which take place within a country to support global objectives and do not contribute to the bilateral strategy must be listed in the field mission's strategic plan together with any management responsibilities which have been assigned to the field mission (See 201.5.10d). For example, global research activities often fall into this category.

E201.5.5a Planning for Country Programs Managed in the Field - N/A

#### 201.5.5b PLANNING FOR REGIONAL AND GLOBAL PROGRAMS

Planning for regional and global programs shall capture those program

funded activities which are regional or global in nature (i.e. objectives which cannot be achieved or measured on the basis of a single country).

E201.5.5b Planning For Regional And Global Programs - N/A

201.5.5c PLANNING FOR CENTRALLY MANAGED BILATERAL PROGRAMS

In some cases, USAID/W offices have direct management responsibility for bilateral programs (e.g. programs which are directed at achieving country level impact) due to management efficiencies. In such cases, the USAID/W office shall consult with PPC to determine the appropriate strategic planning requirements.

E201.5.5c Planning for Centrally Managed Bilateral Programs - N/A

201.5.5d EXCEPTIONS AND SPECIAL CASES

Exceptions and special cases related to the strategic plan shall include the following.

- 1) Start-up Programs. Start-up or new programs shall manage for results. However, such programs will be exempted from any or all of the strategic planning requirements stated herein for the first year of operation.
- 2) Close-Out Programs. Programs which are planned for close-out shall manage for results. However, the operating bureau will consult with M Bureau and PPC to determine appropriate strategic planning and/or impact reporting requirements.
- 3) Emergency Programs in the Field. The strategic planning document for an emergency program in the field may be brief, will address a planning period which is appropriate to the emergency program, and may follow an abbreviated review process as agreed to by the AA in consultation with PPC, BHR and M. The strategic plan for an emergency program shall address both natural disasters as well as man made disasters as is appropriate. The strategy will identify: strategic objectives, estimated resource requirements, time period covered, and other key management, strategic, or political concerns.
- 4) Small Country Programs. Small country programs will be allowed to prepare abbreviated strategic plans which focus primarily on the results to be achieved in the sector(s) in which they are working or planning to work (See E201.5.10, Part II, para. c). The regional Bureau, in consultation with PPC and M, will provide



such a country program with planning parameters and outline strategy requirements as appropriate. Criteria for small country programs will be defined by PPC in consultation with the regional bureaus. (See 201.5.11 and 201.5.12 for Review and Approval Policies.)

5) Special Foreign Policy Programs. Special foreign policy programs shall manage for results. However, programs which are instituted in response to special foreign policy issues and concerns may be exempted from specific strategic planning policies and essential procedures, or may follow different procedures as required by legislation or dictated by the type of funds being used. For example, programs conducted by the Bureau for Europe and the New Independent States (ENI) and those conducted using Economic Support Funds (ESF) may necessitate some different procedures as required by specific legislation or regulations. In these and similar instances, while the intent and principles of the Agency directive on planning will be followed, specific policies and/or essential procedures may be revised or developed to incorporate the specific legislative and operating requirements of the programs. Exemptions from Agency planning policies and procedures, and/or the development of alternative policies and procedures, for these programs must be approved by the cognizant bureau AA in consultation with the AA/PPC and the AA/M, and this approval must be documented in a formal action memorandum. Programs which involve the programming of funds prior to the preparation of a strategic plan require a review of the respective program and a formal exemption, as noted above, from the requirements of the planning directive if a strategic plan is not prepared within a year of the program's initiation.

E201.5.5d Exceptions and Special Cases - N/A

**\*201.5.5e APPROVAL OF ACTIVITIES NOT COVERED BY A COUNTRY STRATEGY**

\* **A country program is a collection of one or more activities in a given country. Approval and operating procedures are well established in cases where field missions plan and implement country programs. In cases of programs not managed by field missions there may be various approaches used to plan activities. Decisions about where activities will be conducted can be made at various levels including sometimes by grantees.**

\* **For the purpose of this guidance, an Activity exists when inputs are mobilized to produce specific outputs in a given country. Outputs**

are tangible, immediate, and intended products or consequences of USAID's efforts. Examples include a strengthened institution, trained personnel, people fed, vaccinations given, policies recommended, technical assistance delivered, better technologies adopted, and new construction. Deliverables included in contracts will generally be considered outputs as will tangible products and consequences of USAID grantees. Nominal costs (not related to a country-specific activity) that may be incurred in a country need not be reported. Examples include traveling through a country, hosting a conference there or making procurements of goods and services. In some rare instances when costs cannot be meaningfully attributed to a specific country they will be categorized as "worldwide support." Activities include centrally managed global programs, regional programs, food aid, housing guarantees, and research.

- \* The steps below are structured to easily collect information needed to make decisions appropriate to particular country and programming circumstances. They are also expected to facilitate review of whether proposed activities are legally permissible. USAID/W will periodically review the scope of activities in each country and may require additional steps to assure that activities are effectively and economically managed.
- \* First: Prior to initiating an activity that is not covered by a country strategy/R4, whether in a presence or non-presence country, a standard one-page Activity Information Sheet must be prepared by the activity manager that documents the following:
  - \* o The approved regional or global strategic plan which the activity supports (SO, Strategic Objective; SSO, Strategic Support Objective; SpO, Special Objective; or IR, Intermediate Result);
  - \* o The responsible operating unit for planning, implementing and monitoring the activity;
  - \* o A brief rationale for why the activity should take place in that country; and
  - \* o A brief description of the activity (including expected coordination with the U.S. Embassy, estimated funding level by fiscal year, source of funding, planned duration, implementing institution(s), and host country counterpart institution(s) -- when known).

- \* **A blank template for the Activity Information Sheet is available on intranet at <<http://cdie.usaid.gov/npc/>> or via e-mail sent to <[npctemplate@dec.cdie.org](mailto:npctemplate@dec.cdie.org)>, (for those without intranet access) The Activity Information Sheet will be cleared by the appropriate regional Bureau and GC, and submitted by the activity manager to PPC (submit electronic copies directly to <[npctemplate@dec.cdie.org](mailto:npctemplate@dec.cdie.org)>) before initiating a new activity.**
- \* **When an activity is to be implemented in a USAID presence country, the regional Bureau will provide the documentation to the Mission Director. Regional Bureaus will determine when to seek inputs or clearance from field missions. The activity information sheets must be updated annually. Countries not under the purview of a regional Bureau will not require regional Bureau clearance. If doubt exists as to whether a country is of interest to a specific regional Bureau, sponsors of the activity must check with the appropriate Bureau to see if clearance is required. All clearances and documentation requested for new activities are to receive prompt attention and action as described in ADS 503, Correspondence Management.**
- \* **Submission of an Activity Information Sheet does not substitute for activity planning and design requirements. Operating Units are reminded to consult the Supplementary Reference, "Management Tools to Ensure Pre-Obligation Planning Requirements Are Met," in ADS 202.6. (See Supplementary Reference, Management Tools to Ensure Pre-Obligation Planning Requirements)**
- \* **Second: General Counsel (GC) review and clearance of activity sheets is intended to help ensure that activities planned for all countries are permissible within statutory restrictions. In addition, GC will continue to work with the regional Bureaus and M/FM (for debt related sanctions) to ensure that information on country sanctions is updated and disseminated, and to help ensure compliance with restrictions.**
- \* **Third: The implementing Bureau activity manager must provide electronic copies of cleared activity information sheets to the relevant regional Bureau and to PPC (at <[npctemplate@dec.cdie.org](mailto:npctemplate@dec.cdie.org)>). PPC will post this documentation on the widely accessible R-4 web site at <[http://cdie.usaid.gov/r4\\_2002](http://cdie.usaid.gov/r4_2002)>. This more inclusive web site will allow anyone to retrieve information on all USAID activities in a given country for reporting or briefing purposes.**
- \* **Fourth: All Bureaus will use data from the information sheets to prepare the annual BPBS, Budget Planning & Budget Submission.**

**PPC and M will work with regional and other central Bureaus to ensure that centrally-managed activities in non-presence countries are reviewed as part of the annual BPBS review for the purpose of determining whether USAID's management of the activities is adequate or whether additional management tools or plans may be warranted.**

- \* The only exceptions to the procedures described above are for OFDA and Emergency Food aid activities. These can be initiated without prior clearances on an activity sheet, but an activity information sheet must be submitted to the PPC-managed database after programming decisions are made.**

**\*E201.5.5e Approval of Activities Not Covered by a Country Strategy - N/A**

**201.5.6 PLANNING PARAMETERS**

**a) Setting Planning Parameters**

PPC and M Bureau shall provide each operating Bureau with planning parameters in a timely manner. Each Bureau will be responsible for providing its operating units with updated Agency guidance on planning parameters prior to the development of a strategic plan. These parameters shall include indicative resource levels, guidance on earmarks, and updated guidance on the Agency's goals and objectives over the proposed planning period. As appropriate, the bureau may also provide additional guidance to operating units on the strategic direction of the program, key management or performance issues, and any special foreign policy interests in the country.

**b) Management Letter**

Each Bureau will be responsible for providing new mission directors or representatives with a management letter which provides bureau guidance on the long term strategic direction of the program, key management or strategic issues, resource parameters, and any special foreign policy interests in the country.

**E201.5.6 Planning Parameters - N/A**

**201.5.7 PARTICIPATION**

**a) STRATEGIC PLANNING**

All strategic plans shall be developed, updated, and monitored in active consultation with relevant development customers, partners, and

stakeholders. This consultation is subject to Agency guidance on conflict of interest.

b) THE CUSTOMER SERVICE PLAN

Each operating unit (including operating units in the G Bureau, BHR, and regional bureaus) shall develop a customer service plan which informs its planning and operations. The customer service plan shall:

- Present the operating unit's vision for including customers and partners to achieve development objectives;
- Explain how customer feedback will be incorporated to determine customer needs and perceptions of the services provided and how this feedback will be regularly incorporated into the operating unit's processes; and
- Identify the unit's key customer service principles and standards to which the operating unit will commit.

The customer service plan will act as a management tool for the individual operating unit and must be developed in the context of existing Agency parameters. The customer service plan does not require USAID/W approval.

E201.5.7 Participation - N/A

201.5.8 JOINT PLANNING

The strategic plan is required to reflect joint planning principles; therefore, operating units are responsible for consulting with relevant and affected USAID/W offices and field missions throughout the strategic planning process as appropriate.

E201.5.8 Joint Planning N/A

201.5.9 SELECTION OF PROGRAMMATIC FOCUS

Each strategic plan shall identify a limited number of strategic objectives and, where appropriate, special objectives which encompass all program resources to be managed by the operating unit.

The selection of programmatic focus shall be influenced by the following factors:

- The contribution toward the Agency's mission of sustainable

development and associated Agency goals and objectives as described in the Agency strategic plan;

- The needs and interests of the host country, region, or sector as identified by current and potential customers of USAID programs;
- The possibility of achieving sustained and significant impact with the resources likely to be made available by USAID, the host country, and other development partners, and the ability to demonstrate that impact over the planning period;
- Analysis of the problems to be addressed and potential approaches; and
- The findings of Agency assessments of performance and impact in order to continually improve the Agency's ability to deliver effective assistance.

E201.5.9 Selection of Programmatic Focus - N/A

#### 201.5.10 COMPONENTS OF THE STRATEGIC PLAN

The Agency shall adhere to sub-policies 201.5.10a through 201.5.10g for Components of a Strategic Plan.

#### E201.5.10 Contents of Strategic Plans

Operating unit strategic plans shall include the information necessary to secure endorsement by Agency management on the proposed strategic objectives and targeted magnitude of impact; associated resource requirements; and, requested delegations of authority. Operating units must ensure that any special legislative requirements, as applied to strategic planning, are included. Operating units are not required to follow the outline below in its exact form; however, strategies shall include the following three sections and shall provide a clear and concise discussion of the below referenced issues in a form which is appropriate to their program.

a) PART I: Summary Analysis of Assistance Environment and Rationale for Focusing Assistance in Particular Areas.

1. U.S. Foreign Policy: Relationship of the program to US foreign policy interests.

2. Overview: Country strategies will provide an overview of the country condition to include a summary of overall macro-economic

and socio-political trends, a discussion of development constraints and opportunities, how the strategy relates to host country or regional priorities, and the role of other donors. Regional and Global strategies will provide a discussion of relevant transnational trends, how the strategy relates to regional or global priorities and the role of other donors.

3. Customers: A brief discussion of how customers influenced the strategic plan both directly and indirectly using the customer service plan as a basis.

4. Transitional Issues: Transition or phase out issues for those country programs which are transitional in nature - the strategy will provide a discussion of key transitional issues which are appropriate to the country (whether it is a country nearing graduation or transitioning from relief to development). Regional and global programs may discuss transitional or phase out issues where relevant.

b) PART II: Proposed Strategic Plan (Country, Regional, or Global):

1. A discussion of the linkage of the strategy to Agency goals and objectives.

2. A discussion of host country goals and subgoals (where applicable).

3. Each Strategic Objective or Strategic Support Objective must include the following:

a. A statement of strategic objective;

b. A problem analysis to include an analysis of the specific problem to be addressed and an identification of affected customers;

c. A discussion of critical assumptions and causal relationships which are represented in the Results Framework;

d. The commitment and capacity of other development partners in achieving the objective. This may include a trend analysis which demonstrates why the current climate and support by other partners (including the host country government) or customers indicates that the objective can be achieved;

- e. Illustrative approaches;
  - f. How sustainability will be achieved;
  - g. How the achievement of the strategic objective will be judged including;
    - \* Proposed performance indicators and targets for achievement of each strategic objective as well as monitoring interim progress (See ADS 203); and
    - \* Performance targets which convey an understanding of the anticipated magnitude of change vis a vis USAID's investment and/or that of USAID's partners. These performance targets will represent anticipated results over the entire strategy period to the extent possible (i.e., where past experience and technical knowledge indicate that targets which are projected to the end date of the strategy are useful and meaningful). There are some cases, most often in new areas, where select targets may be shorter than the planning period, and therefore will need to be updated via the R4 process. Also, interim performance targets may be used as part of performance monitoring during the life of the objective.
4. If the operating unit has identified a special objective, the discussion must include the following for each special objective;
- a. The time-frame for the Objective;
  - b. Relationship to Agency goals and objectives and/or the country strategy;
  - c. Expected Results; and
  - d. A proposal for monitoring achievement of any special objectives as is appropriate to the nature of the objective.
5. For Field Mission operating units, the strategy shall identify any activities which support global objectives and are outside of the field mission's bilateral strategy. The field mission should also identify any management responsibilities for which it is held responsible.



c) PART III: Resource Requirements

1. Estimated resource requirements over the planning period to achieve the strategic objectives, including program dollars as well as supportive OE and personnel. Program funding shall include the amount for field support provided through G Bureau mechanisms. The operating unit shall also identify any USAID/W technical or other support which are necessary to accomplish the strategic objectives.

2. Discussion of programming options. This should be brief and concise and may take the form of a simple matrix which serves to articulate and distill the priorities of the operating unit and is based on high, medium, and low funding levels. Such a matrix should take into account Congressional and Administration mandates and may indicate country conditions that would warrant increases or decreases in assistance.

201.5.10a STRATEGIC OBJECTIVES

A strategic objective is defined as the most ambitious result (intended measurable change) in a particular program area that a USAID operational unit, along with its partners, can materially affect and for which it is willing to be held responsible. The strategic objective forms the standard by which the operational unit is willing to be judged in terms of its performance. The time-frame for the achievement of the strategic objective is typically 5-8 years for sustainable development programs, but may be shorter for programs which are operating under short term transitional circumstances or under conditions of uncertainty. Each strategic objective shall be linked to one Agency goal. It may be linked to other Agency goals on a secondary basis, if appropriate. The strategic objective must also be linked to one or more Agency objectives within that goal.

Strategic objectives may be bilateral, regional, or global in nature and shall set the direction for the selection and design of the assistance activities to be carried out in the portfolio over the time-frame of the plan. A strategic objective must be expressed in terms of a result or impact, be defined in a manner which permits objective measurement, be clear and precise, and generally include only one objective so that progress can be clearly measured.

However, strategic objectives which represent more than one dimension in addressing a development problem will be acceptable if the component results of the strategic objective are:

- 1) Implemented in an integrated manner (e.g., the two components are part of the same activity which takes place in the same location);
- 2) Achievable by a common set of intermediate results and causal linkages represented in the results framework; and
- 3) The component results are inseparable and mutually reinforcing (achievement of each facilitates the achievement of the other). An example might be "Increased Use of Family Planning and Maternal and Child Health Services (MCH)" which combines family planning and MCH.

An operating unit shall focus resources on the achievement of a limited number of strategic objectives that have significant potential for sustainable development impact. An operating unit shall consider the factors described under Selection of Programmatic Focus when setting strategic objectives within their respective program area. There is no fixed limit on the total number of strategic objectives that the operating unit may identify for its portfolio. However, the number will depend most importantly on the likelihood of effectively achieving significant impact as based on expected program funding and staff resource levels over the planning period. Other factors will include the absorptive capacity of program sectors and the need to meet current and on-going program commitments.

E201.5.10a Strategic Objectives - N/A

201.5.10b STRATEGIC SUPPORT OBJECTIVES

A strategic support objective (SSO) is intended to capture and measure a regional or Agency-wide development objective which involves the achievement of various USAID operating units' individual strategic objectives as well as important contributions by a central or regional bureau or an operating unit which has multi-country responsibilities, e.g., a regional mission. The key differentiation from a strategic objective is that there is explicit recognition in the definition of the support objective and the accompanying results framework that its achievement is accomplished and measured through activities and results both at the field mission level as well as at the central level. Generally, strategic support objectives for a central or regional bureau or mission will be driven by a combination of field demand for services and the identification of Agency priorities.

The strategy must clearly distinguish the central operating unit's unique role in meeting the SSO from that of the field missions. In most cases,

this will be demonstrated as identifiable intermediate results in the results framework for which the central operating unit is responsible.

A central operating unit, such as the G Bureau, would contribute significantly to the achievement of the strategic support objective by providing support services (e.g., central contracting mechanisms and USDH technical expertise to support field missions). In addition, technical leadership and research activities (e.g. conducting research which provides new and more effective approaches that are used by the field missions) will be considered means to accomplishing the objective. The central operating unit will outline the results of the activities under its direct control and clearly show how these activities, in concert with mission activities, will achieve the strategic support objective. All requirements for strategic objectives are applicable to strategic support objectives.

E201.5.10b Strategic Support Objectives - N/A

201.5.10c SPECIAL OBJECTIVES

Under exceptional circumstances, a mission or office may include activities in its portfolio which could not be associated with existing operating unit objectives, but which produce results to support other U.S. government assistance objectives. Special objectives may be justified if one or more of the following criteria are met:

- The activity represents a response to a legislated earmark or special interest which does not meet the criteria for a strategic objective;
- It is a continuation of an activity initiated prior to the strategic plan which needs additional time for orderly phase-out;
- It is an exploratory/experimental activity in a new program area which merits further exploration or which responds to new developments in the country, region, or sector; and
- It is a research activity which contributes to the achievement of an Agency objective.

These activities are expected to be small in scope relative to the portfolio as a whole. The operating unit, as a part of the strategic plan, will outline: the time-frame for the special objective, expected results to be achieved, a proposal for evaluating results, and an estimated budget. Results of experimental or exploratory activities may have different criteria for success than other activities where USAID has more experience.

E201.5.10c Special Objectives - N/A

201.5.10d LISTING OF G BUREAU ACTIVITIES SUPPORTED BY BILATERAL PROGRAMS

Any activities which take place at the country level and are solely designed to support global objectives should be listed in the country's strategic plan together with any management responsibilities the operating unit has for support of those activities. For example, if global climate change or global research activities are carried out in a country and do not support the mission's bilateral strategy, these activities would be included in such a listing.

E201.5.10d Listing of G Bureau Activities Supported by Bilateral Programs - N/A

201.5.10e RESULTS FRAMEWORK

In the context of defining a strategic objective or strategic support objective, it is necessary to identify the intermediate results which are necessary to accomplish that objective. This analysis will produce a Results Framework for each objective. The results framework must provide enough information so that it adequately illustrates the development hypothesis (or cause and effect linkages) represented in the strategy and therefore assists in communicating the basic premises of the strategy. The results framework shall include any key results that are produced by other development partners (e.g., partners such as nongovernmental organizations, the host country government, other donors, and customers).

The Results Framework must also be useful as a management tool and therefore focuses on intermediate results which must be monitored to indicate progress. The framework is intended to be a management tool first and foremost for operating unit managers so that it can be used to gauge progress toward achievement of intermediate results and their contribution to the achievement of the strategic objective.

E201.5.10e Results Framework - N/A

201.5.10f IDENTIFYING ILLUSTRATIVE APPROACHES AND ESTIMATED RESOURCE REQUIREMENTS

The operating unit will identify illustrative approaches that would likely be used in achieving the results outlined in the results framework. While this will not be the focus of the strategy review, illustrative approaches will be required to demonstrate the feasibility of achieving selected strategic objectives and will serve as the basis for determining resource needs and

establishing performance targets (or magnitude of impact) for each SO. An operating unit will have the flexibility to adjust approaches without further USAID/W review to achieve the strategic objective, except as otherwise indicated in a management contract.

E201.5.10f Identifying Illustrative Approaches And Estimated Resource Requirements  
- N/A

#### 201.5.10g ENVIRONMENTAL REQUIREMENTS

Section 118/119 of the Foreign Assistance Act requires that all country plans (or strategies) include:

- 1) An analysis of the actions necessary in that country to conserve biological diversity and tropical forests; and
- 2) The extent to which current or proposed USAID actions meet those needs.

In many cases, the environmental analysis may be broader than the specific requirement for 118/119. For example, in the course of examining whether a strategic objective in the environment should be undertaken or how environmental issues relate to other objectives and activities, it may be appropriate to conduct a broader analysis to examine other environmental issues, such as the environmental underpinnings of a economic growth or preventing environmental threats to public health. Operating units should consult with Bureau environmental officers to ensure that legislative requirements are met and to ensure that salient issues are addressed as appropriate. (See 201.5.8; and Supplementary References, Joint Planning and Guidelines for Strategic Plans, and Technical Annex B Environment, dated February 1995)

E201.5.10g Environmental Requirements - N/A

#### 201.5.11 REVIEW PROCESS FOR STRATEGIC PLANNING

Reviews shall be a collaborative process where Agency wide participation is elicited. This will provide a forum for the Agency to come to agreement around the strategic plan and to make final decisions regarding the program. All strategic plans will be submitted to USAID/W for formal review, except where alternative review procedures are agreed upon for exceptional programs (See 201.5.5d). Strategic plans for bilateral, regional, and global programs must be reviewed by PPC, M, BHR (as appropriate), G, GC, and regional bureaus. The review process for global, BHR or regional strategic plans must include a mechanism to allow for input by affected field missions.

The strategic plan will guide resource allocation decisions and performance monitoring over the time-frame of the plan. As a result of the review process, the strategic plan is expected to represent an Agency plan for that operating unit over the planning period. (See 201.5.12b).

Procedures for reviews shall be developed and organized by the responsible regional or central bureau.

E201.5.11 Review Process for Strategic Planning - N/A

#### 201.5.11a ROLES IN THE REVIEW PROCESS

Each USAID/W bureau will review strategic plans in light of their respective roles with a special emphasis on the following. (Also see 201.3, for further information):

- 1) Regional bureaus seek consistency with the Agency strategic plan, regional objectives, and geopolitical considerations unique to the region;
- 2) PPC ensures consistency with Agency-wide priorities and the adequacy of plans for measuring performance and documenting impact;
- 3) M ensures that resources can be made available;
- 4) G assures the technical soundness of and technical support for the plan;
- 5) BHR assures that humanitarian assistance, food aid, and transitional issues (as it relates to the transition from relief to development) are incorporated and related resources are used as appropriate; and
- 6) GC ensures the strategic plan meets all legal requirements.

E201.5.11a Roles in The Review Process - N/A

#### 201.5.11b FOCUS OF THE REVIEW PROCESS

Reviewers will focus on the following aspects of the strategy;

- 1) The relevance of the strategy to significant development problems;

- 2) Appropriateness of the strategy vis a vis country performance;
- 3) The plausibility of the causal linkages presented in the strategy;
- 4) The ability of the operational unit to monitor and demonstrate performance and to achieve results;
- 5) The consistency of the proposed strategy with past progress and lessons learned;
- 6) Consistency with Agency strategies and policies as expressed in the Agency strategic plan;
- 7) Appropriateness of the strategy in light of expected resource availabilities; and
- 8) Appropriateness of the strategy vis a vis any legal requirements.

E201.5.11b Focus of The Review Process - N/A

#### 201.5.12 THE MANAGEMENT CONTRACT

The Agency shall adhere to sub-policies 201.5.12a through 201.5.12c when establishing a Management Contract.

E201.5.12 The Management Contract - N/A

#### 201.5.12a DEFINITION OF THE MANAGEMENT CONTRACT

The approval of all operating unit strategic plans shall result in the establishment of a management contract between that unit and Agency management. That contract will consist of the strategic plan (including final results frameworks) together with an official record of the guidance emerging from the review of the plan. This guidance shall:

- 1) Summarize the agreement on a set of strategic and other objectives which will be pursued by that operating unit over the agreed planning period;
- 2) Provide confirmation of estimated resources regarding resource levels to be made available over the strategy period pending the availability of U.S. funds;
- 3) Provide appropriate delegations of authority which allow the

mission to proceed with implementation; these authorities remain in effect unless and until amended; and

4) Outline any special conditions precedent, covenants, and/or management concerns which require further action by either party (e.g. a field mission might note that a certain change in funding would necessitate a change in the strategy, or USAID/W might specify covenants to a related strategic).

E201.5.12a Definition of The Management Contract - N/A

201.5.12b APPROVAL OF THE MANAGEMENT CONTRACT

A management contract shall be approved by the submitting operational unit (as represented by the director or AID representative of that operating unit) as well as the AA of the operating bureau, with clearance from PPC, M, GC, BHR (as appropriate), G, and the regional bureaus (for G Bureau and BHR strategic plans) in light of each operational unit's respective responsibilities. (See 201.3, and 201.5.11) The management contract will serve as a delegation of authority to the operating unit to proceed with program implementation under those strategic objectives where agreement has been reached.

E201.5.12b Approval of the Management Contract - N/A

201.5.12c ANNUAL RECONFIRMATION OF THE MANAGEMENT CONTRACT

Every management contract will be reconfirmed annually as part of the bureau's Results Review and Resource Request (R4) process, unless otherwise determined by the AA for the bureau in consultation with PPC and M.

E201.5.12c Annual Reconfirmation of The Management Contract - N/A

201.5.13 DEVELOPMENT OF THE PERFORMANCE MONITORING PLAN

The operating unit will finalize the performance monitoring plan, including performance targets and indicators, after strategic objectives have been approved. The performance monitoring plan must be completed shortly after the approval of the strategy and prior to the next Results Review and Resource Request (R4) (See ADS 203.5.5)

E201.5.13 Development of the Performance Monitoring Plan - N/A

201.5.14 CHANGES IN STRATEGIC PLANS



The strategic plan (at the strategic objective level) represents the Agency's strategy for a particular country or program over a specified time-frame. Therefore, strategic objectives are expected to remain relatively stable over the planning period. Changes to strategic objectives should be based on compelling evidence that the direction of the program must be modified. This would include:

- Dramatic changes in country or other conditions external to the program;
- Unsatisfactory progress toward approved strategic objectives or other evidence that those objectives will not be met;
- Achievement of a strategic objective on an accelerated basis; and
- A major shift in Agency policy or resource availabilities.

#### E201.5.14 Changes in Strategic Plans

Changes in strategic objectives must be approved by the AA with concurrence from PPC, M, GC, BHR (as appropriate), G Bureau and regional bureaus (for central operating bureau strategic plans).

The operating unit will consult with its parent bureau to determine whether the changes to the strategic plan require an update in the strategy as a whole or whether a document which focuses only on one particular SO is required. In the latter case, the content of the strategy can be modified to focus only on the relevant strategic objective. (See E201.5.10, Part II C for required information.)

#### 201.5.15 STRATEGIC PLANNING AND RESOURCE ALLOCATION

Budget planning in USAID will be guided by the Agency strategic plan and the strategic plans approved for individual operating units. The Agency's budget planning documents will identify proposed resource levels for each operating unit by individual strategic objective. In making resource allocations among operating units and strategic objectives, the relative contribution of each to overall Agency goals and objectives, as defined in operating unit strategic plans and updated annually in the R4, shall be a principal factor. This contribution shall take into account both projected impact (significance of strategic objectives and magnitude of performance targets), as defined in operating unit strategic plans, and actual performance (progress to date toward meeting performance targets), as reported annually, in addition to resource needs and foreign policy

considerations.

E201.5.15 Strategic Planning and Resource Allocation: Budget Submissions - N/A

E201.5.15a Bureau Level Submissions

Once Agency-wide planning levels are set for the budget request year, bureaus will assemble bureau-wide budget submissions (BBS) which recommend funding levels by strategic objective for each operating unit and which are subject to joint PPC and M Bureau review to arrive at an Agency-wide budget request.

A BBS shall be assembled by each bureau to conform to a bureau budget ceiling and programming targets established by PPC and M. In preparing its consolidated bureau budget, the budget planning levels for individual operating units may be adjusted by the parent bureau to respond to shifts in expected resource availabilities and/or relative Agency priorities as between sectors and/or countries and regions. These adjustments shall be made, to the extent possible, so as to ensure resource needs are met for those programs which are demonstrating progress toward stated performance targets.

E201.5.15b Formulation of Agency Budget Request

After review of the BBSs, PPC and M Bureau will assemble an Agency Budget Request for submission to OMB, drawing on the information presented in the BBSs and in accordance with OMB guidance. The Agency Budget Request will define the Agency's strategic objectives, by operating unit, and identify the funding requested for each. This request will be subsequently adjusted as may be required by OMB for subsequent submission as part of the President's budget. Adjustments will be coordinated by PPC and M, in consultation with the bureaus.

201.5.16 THE RESULTS REVIEW AND RESOURCE REQUEST (R4)

The following is intended to provide an overview of the R4 and to demonstrate its role vis a vis the strategic planning process. For more specific guidance regarding results reporting, see 203.5.9, Reporting and Disseminating Performance Information. (See ADS 203.5.9)

An approved strategic plan will be the basis for each R4 document. The R4 will serve to:

- Allow the operating unit to assess and evaluate progress toward results;

- Include progress toward results as a factor in decision making regarding the budget;
- Update estimates of resource requirements for achieving those objectives for the current year, the budget year, and the budget request year;
- Serve as a mechanism for regular USAID/W review of progress toward the achievement of the strategic objective(s) of the operating unit;
- Reconfirm the management contract based on progress;
- Refine indicators and targets, as necessary (indicators and targets are expected to remain relatively stable over time, however, if changes are deemed necessary by the operating unit, the R4 can be used to indicate those changes);
- Advise relevant parties of key issues affecting the program; and
- Form a base of information in USAID/W for responding to external inquiries, country and regional results reporting, and Agency impact reporting.

E201.5.16 The Results Review and Resource Request (R4) - N/A

E201.5.16a Content of the R4

- 1) Each operating unit will submit an R4 annually which will include the following information in a form which is appropriate. Operating units will ensure that Management Contract and Resources Requirements information is confined to Parts III and IV and not included in Parts I and II.
- 2) Part I: Factors Affecting Program Performance
  - a. Progress in the Overall Program (i.e. goals/subgoals, or other broad programmatic issues such as pipeline, if applicable)
- 3) Part II: Progress Toward Strategic Objectives (to be repeated for each strategic objective and special objective)
  - a. Summary of data on progress toward achieving the strategic objective, which includes data on intermediate results where appropriate; this may take the form of a table;
  - b. Analysis of the data; e.g., background and insight into the

meaning of the data;

c. Evidence that USAID activities are making a significant contribution to the achievement of the strategic objective; and

d. Expected progress for the next year.

4) Part III: Status of the "Management Contract"

a. Proposals for change/refinements at the strategic objective level, if necessary;

b. Special Concerns or Issues (e.g. discussions of how the customer influenced the operating unit's assessment of progress based on the customer service plan, updates in global activities in country, special field mission or Bureau issues or concerns, etc); and

c. An update of the review schedule for any activities which must be reviewed under 22 CFR 216. (See 201.5.10, Components of the Strategic Plan, Environmental Requirements, 22 CFR 216).

5) Part IV: Resource Requirements

a. Program Funding Request by Strategic Objective;

b. Operating Expenses (OE);

c. Staffing;

d. Technical Support from USAID/W; and

e. Program Development and Support (PD&S) Funding.

E201.5.16b Participation in R4 Preparation

1) Operating units have the discretion and are encouraged to include partners and others as needed in the preparation of an R4.

2) Once an operating unit's R4 is finalized, its release is governed by E201.5.16e.

E201.5.16c Submission of the R4

The R4 will be submitted annually, unless otherwise determined by the AA for the operating bureau, in consultation with PPC and M.

E201.5.16d USAID/Washington Review of the R4

- 1) The R4 will be reviewed by the operating bureau which will renew or revise the management contract with the operating unit as appropriate on the basis of the results review, e.g. adjustments in indicators and targets, or recommendations for formal bureau review of changes to the strategic objective. Operating units, in consultation with other relevant offices, are authorized to approve minor changes or refinements in a strategic objective.
- 2) Bureaus will be allowed to separate the review of the R4 into two components; a results review report and resource request report, where necessary and appropriate, provided that the results report is used as a basis to inform decisions regarding the budget.
- 3) Based on the review of the R4, budget planning levels for an individual operating unit will be established by the operating bureau which reflect the estimated resource costs for the programs and performance targets approved for that unit.
- 4) Attendance at USAID/Washington R4 reviews, either as a participant or observer, is restricted to Executive branch personnel and "necessary" non-Executive Branch personnel, e.g. contractors and non-USG PASA and RSSA personnel. A "necessary" non-employee is one used to facilitate review, provide logistical support, or provide a technical capability which is necessary for the review. A contractor who helped prepare an R4 (either whole or in part) is not "necessary" for the USAID/W review of the R4.

E201.5.16e Internal and External Distribution of R4s

- 1) Internal Distribution. Operating units are authorized to distribute R4s to contractors and other non-employees who are a necessary part of the review process or otherwise have "a need to know", e.g. using R4s to prepare other Agency documents such as the annual Performance Report. R4s (Part I and II) will be posted by PPC/CDIE on the USAID Intranet as received from operating units.
- 2) External Distribution of Results Information (Parts I and II).
  - a. The results information may not be released outside the Executive branch until the earlier of the date the R4 has been reviewed in USAID/W or July 1 of the year the R4 is submitted to Washington. EXAMPLE: The results sections of an FY 2000 R4 could be released externally on or after July 1, 1998.

b. Operating units will include as part of any external distribution a cover page (or headers or footers or some other legend), that, as a minimum, contains the following information:

"The attached results information is from the FY [YY] Results Review and Resource Request ("R4") for [country or operating unit, i.e., "Rwanda" or "Population Health and Nutrition Center"] and was assembled and analyzed by [USAID/operating unit]

The R4 is a "pre-decisional" USAID document and does not reflect results stemming from formal USAID review(s).

Additional information on the attached can be obtained from: [contact person and office} making the distribution.]

Date"

3) External Distribution of Management Contract (Part III) and Resources Requirements Part IV) Information. Parts III and IV of an R4 will not be released outside the Executive Branch until the end of the fiscal year for which the R4 was prepared. EXAMPLE: Budget information in and FY 2000 R4 which is reviewed in Spring o 1998 would not be released until October 1, 2000.

4) TRANSITION PROVISION: For FY 2000 and prior fiscal years, many R4s had Management contract information included in the Results Section. If it is not administratively practical for the distributor (e.g. PPC/CDIE's Development Experience Clearinghouse) to separate the Management Contract information, the Management contract may be released as part of the Results information.

## 201.6 Supplementary Reference

Strategies for Sustainable Development\*  
Implementation Guidelines\*

Agency Strategic Framework (reserved)

**[removed Guidance on Consultation and Avoidance of Unfair Competitive Advantage]**

\*Note: Were previously released as official documents by the Agency.

Legal and Policy Considerations when Involving Partners and Customers  
on Strategic Objective Teams and Other Consultations

201.7      Mandatory Reference

Series 300, Interim Update #5, Policy Notice Re-issuance, dated  
September 18, 1996

Series 300, Interim Update #8, Waiver of the Host Country Contribution  
Requirement for Relatively Least Developed Countries, effective February  
1, 1999

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## Glossary Terms for 201

### activity

An action undertaken either to help achieve a program result or set of results, or to support the functioning of the Agency or one of its operating units. a) In a program context, i.e., in the context of results frameworks and strategic objectives, an activity may include any action used to advance the achievement of a given result or objective, whether financial resources are used or not. E.g., an activity could be defined around the work of a USAID staff member directly negotiating policy change with a host country government, or it could involve the use of one or more grants or contracts to provide technical assistance and commodities in a particular area. Loans and Loan Guarantees can also be considered activities. (Also within this context, for the purposes of the New Management Systems, "activity" includes the strategic objective itself as an initial budgeting and accounting element to be used before any specific actions requiring obligations are defined.) b) In an operating expense context, an activity may include any action undertaken to meet the operating requirements of any organizational unit of the Agency. (Chapters 201, 202, 203, 204, 250)

### activity manager

The member of the SO/RP team designated by that team to manage a given activity or set of activities contributing to the results to be achieved under the results package. (Chapters 201, 202, 203, 303, 591, 592)

### Agency Goal

A long-term development result in a specific area to which USAID programs contribute and which has been identified as a specific goal by the Agency. (See also OPERATING UNIT GOAL.) (Chapters 201, 202, 203)

### Agency Mission

The ultimate purpose of the Agency's programs; it is the unique contribution of USAID to our national interests. There is one Agency mission. (Chapters 201, 202, 203)

### Agency Objective

A significant development result that USAID contributes to, and which contributes to the



achievement of an Agency goal. Several Agency objectives contribute to each Agency goal. Changes in Agency objectives are typically observable only every few years. (Chapters 201, 202, 203)

#### Agency Program Approach

A program or tactic identified by the Agency as commonly used to achieve a particular objective. Several program approaches are associated with each Agency objective. (Chapters 201, 202, 203)

#### Agency Strategic Framework

A graphical or narrative representation of the Agency's strategic plan; the framework is a tool for communicating USAID's development strategy. The framework also establishes an organizing basis for measuring, analyzing, and reporting results of Agency programs. (Chapters 201, 202, 203)

#### Agency Strategic Plan

The Agency's plan for providing development assistance; the strategic plan articulates the Agency's mission, goals, objectives, and program approaches. (Chapters 201, 202, 203)

#### Agent

An individual or organization under contract with USAID. (Chapters 201, 202, 203)

#### assistance mechanism

A specific mode of assistance chosen to address an intended development result; a particular intervention chosen to solve a particular development problem or set of development problems. Examples of mechanisms include: food aid, housing guaranties or other loan guarantees or direct loans, debt-for-nature swaps, endowments, cash transfers, etc. (Chapters 201, 202, 203, 250)

#### Baseline

See PERFORMANCE BASELINE. (Chapters 201, 202, 203)

#### Causal Relationship

A plausible cause and effect linkage; i.e. the logical connection between the achievement of related, interdependent results. (Chapters 201, 202, 203)

#### Core Team

U.S. government employees and others who may be authorized to carry out inherently U.S. governmental functions such as procurement actions or obligations. For example, only members of the core team would manage procurement sensitive materials or negotiate formal agreements. (Chapters 201, 202, 203)

#### Critical Assumption

In the context of developing a results framework, critical assumptions refer to general conditions under which a development hypothesis will hold true or conditions which are

outside of the control or influence of USAID, and which are likely to affect the achievement of results in the results framework. Examples might be: the ability to avert a crisis caused by drought, the outcome of a national election, or birth rates continuing to decline as it relates to an education program. A critical assumption differs from an intermediate result in the results framework in the sense that the intermediate result represents a focused and discrete outcome which specifically contributes to the achievement of the SO. (Chapters 201, 202, 203)

#### customer

Individuals of every age, gender, and level of physical and/or mental ability or organizations that receive USAID services or products, benefit from USAID programs or that are affected by USAID actions. (Chapters 201, 202, 203, 250)

#### Customer Representative

Any individual or organization that represents the interests of those individuals, communities, groups or organizations targeted for USAID assistance. (Chapters 201, 202, 203)

#### Customer Service Plan

A document which presents the operating unit's vision for including customers and partners to achieve its objectives. This document also articulates the actions necessary to engage participation of its customers and partners in planning, implementation and evaluation of USAID programs and objectives. It will act as a management tool for the individual operation unit and must be developed in the context of existing Agency parameters. (Chapters 201, 202, 203, 250)

#### Customer Surveys

Surveys (or other strategies) designed to elicit information about the needs, preferences, or reactions of customers regarding an existing or planned activity, result or strategic objective. (Chapters 201, 202, 203)

#### Development Experience

The cumulative knowledge derived from implementing and evaluating development assistance programs. Development experience is broader in scope than "lessons learned", and includes research findings, applications of technologies and development methods, program strategies and assistance mechanisms, etc. (Chapters 201, 202, 203, 540)

#### Development Information

The body of literature and statistical data which documents and describes the methods, technologies, status and results of development practices and activities and measures levels of development on a variety of dimensions. (Chapters 201, 202, 203)

#### Evaluation

A relatively structured, analytic effort undertaken selectively to answer specific management questions regarding USAID-funded assistance programs or activities. In

contrast to performance monitoring, which provides ongoing structured information, evaluation is occasional. Evaluation focuses on why results are or are not being achieved, on unintended consequences, or on issues of interpretation, relevance, effectiveness, efficiency, impact, or sustainability. It addresses the validity of the causal hypotheses underlying strategic objectives and embedded in results frameworks. Evaluative activities may use different methodologies or take many different forms, e.g., ranging from highly participatory review workshops to highly focused assessments relying on technical experts. (Chapters 201, 202, 203)

#### Expanded Team

U.S. government employees and partner and customer representatives committed to achieving the strategic objective. (Chapters 201, 202, 203)

#### Global Programs or Activities

Global programs or activities refer to USAID programs or activities which take place across various regions, (i.e. they are trans-regional in nature). These types of programs are most often managed by central operating bureaus such as BHR or the G Bureau. (Chapters 201, 202, 203)

#### Goal

See OPERATING UNIT GOAL or AGENCY GOAL. (Chapters 201, 202, 203)

#### Implementation Letters

Formal correspondence, numbered sequentially, between USAID and other parties pursuant to a duly signed agreement which addresses, inter alia, interpretations of agreements, satisfaction of conditions precedent to disbursement, funding commitments, and mutually agreed upon modifications to program descriptions. (Chapters 201, 202, 203, 250)

#### Indicator

See Performance Indicator. (Chapters 201, 202, 203)

#### Input

The provision of technical assistance, commodities, capital or training in addressing development or humanitarian needs. (Chapters 201, 202, 203)

#### Interim Performance Target

A target value which applies to a time period less than the overall time period related to the respective performance indicator and performance target. (Chapters 201, 202, 203)

#### Intermediate Customer

Persons of every age, gender, and level of physical and/or mental ability or organizations, internal or external to USAID, that use USAID services, products, or resources to serve indirectly or directly the needs of the ultimate customers. (Chapters 201, 202, 203)

#### Intermediate Result

A key result which must occur in order to achieve a strategic objective.  
(Chapters 201, 202, 203)

#### Joint Planning

A process by which an operating unit actively engages and consults with other relevant and interested USAID offices in an open and transparent manner. This may occur through participation on teams or through other forms of consultation.  
(Chapters 201, 202, 203)

#### Lesson Learned

The conclusions extracted from reviewing a development program or activity by participants, managers, customers or evaluators with implications for effectively addressing similar issues/problems in another setting. (Chapters 201, 202, 203, 540)

#### Limited Scope Grant Agreement

The Limited Scope Grant Agreement (LSGA) is similar to the Strategic Objective Agreement but is shorter in length. It is used for obligating funds for a small activity or intervention; e.g., participant training or PD&S. Model agreements, including the LSGA, can be found in the Series 300 directives. (Chapters 201, 202, 203)

#### Manageable Interest

See Responsibility (Chapters 201, 202, 203)

#### Management Contract

The management contract consists of the strategic plan (including a strategic objectives and supporting results frameworks) together with official record of the guidance emerging from the review of the plan. The management contract provides: a summary of agreements on a set of strategic and other objectives; confirmation of estimated resources over the strategy period; delegations of authority; and an overview of any special management concerns. (Chapters 201, 202, 203)

#### Memorandum or Letter of Understanding

A memorandum of understanding or letter of understanding (not used for obligating funds) sets forth the understandings of the parties regarding the objective, results to be achieved and the respective roles and responsibilities of each party in contributing toward the achievement of a given result or objective. It is particularly useful when USAID wishes to obligate through individual grants and contracts, without host government participation in those actions, but still wishes to make the host government a partner in writing to the program or activity and each party's obligations. It specifically provides for USAID implementation in the manner noted above.  
(Chapters 201, 202, 203)

#### New Management Systems

The set of management software developed to support Agency functions in the areas of accounting, budgeting, planning, achieving, performance monitoring and evaluation,

assistance and acquisition, human resource management and property management. (Chapters 201, 202, 203)

#### Objective

Establishes management aim(s) or goal(s) which the subsequent directives seek to accomplish. (Chapter 501)

#### Obligation

In the event of a strategic objective agreement with a host country government, that agreement is normally the obligating agreement (unless a non-obligating MOU is used) and all grants to and contracts with private entities thereunder are sub-obligating agreements. If there is no strategic objective agreement, whether or not a non-obligating MOU is used, all grants to and contracts with private entities become obligating agreements. (Chapters 201, 202, 203)

#### Operating Unit

USAID field mission or USAID/W office or higher level organizational unit which expends program funds to achieve a strategic objective, strategic support objective, or special objective, and which has a clearly defined set of responsibilities focused on the development and execution of a strategic plan. (Chapters 201, 202, 203, 204)

#### Operating Unit Goal

A higher level development result to which an operating unit contributes, but which lies beyond the unit's level of responsibility. An operating unit goal is a longer term development result that represents the reason for achieving one or more objectives in an operating unit strategic plan. An operating unit goal may be identical to an Agency goal, but is normally distinguished from it in several key ways. An Agency goal is a long-term general development objective, in a specific strategic sector, that USAID works toward, and represents the contribution of Agency programs working in that sector. An operating unit goal is optional and represents a long-term result in a specific country or program to which an operating unit's programs contribute, and may cross sector boundaries. (Chapters 201, 202, 203)

#### Output

The product of a specific action, e.g., number of people trained, number of vaccinations administered. (Chapters 201, 202, 203)

#### Parameter

A given framework or condition within which decision making takes place (i.e. Agency goals, earmarks, legislation, etc). (Chapters 201, 202, 203)

#### participation

The active engagement of partners and customers in sharing ideas, committing time and resources, making decisions, and taking action to bring about a desired development objective. (Chapters 101, 201, 202, 203)

#### partner

An organization, individual, or customer representative with which/whom the Agency collaborates to achieve mutually agreed upon objectives and intermediate results, and to secure customer participation. Partners include: host country governments, private voluntary organizations, indigenous and international non-governmental organizations, universities, other U.S. government agencies, United Nation and other multilateral organizations, professional and business associations, and private businesses/individuals. (Chapter 101, 102, 201, 202, 203)

#### Partner Representative

An individual that represents an organization with which USAID works cooperatively to achieve mutually agreed upon objectives. (Chapters 201, 202, 203)

#### partnership

An association between USAID, its partners and customers based on mutual respect, complementary strengths, and shared commitment to achieve mutually agreed upon objectives. (Chapters 101, 102, 201, 202, 203)

#### Performance Baseline

The value of a performance indicator at the beginning of a planning and/or performance period. A performance baseline is the point used for comparison when measuring progress toward a specific result or objective. Ideally, a performance baseline will be the value of a performance indicator just prior to the implementation of the activity or activities identified as supporting the objective which the indicator is meant to measure. (Chapters 201, 202, 203)

#### Portfolio

The sum of USAID-funded programs being managed by a single operating unit. (Chapters 201, 202, 203)

#### Rapid, Low-cost Evaluations

Analytic or problem-solving efforts which emphasize the gathering of empirical data in ways that are low-cost, timely, and practical for management decision making. Methodological approaches include mini-surveys, rapid appraisals, focus groups, key informant interviews, observation, and purposive sampling, among others. (Chapters 201, 202, 203)

#### Responsibility

In the context of setting strategic objectives, responsibility refers to a guiding concept which assists an operating unit in determining the highest level result that it believes it can materially affect (using its resources in concert with its development partners) and that it is willing to use as the standard for the judgement of progress. This has also been referred to as manageable interest. (Chapters 201, 202, 203)

#### Result

A change in the condition of a customer or a change in the host country condition which

has a relationship to the customer. A result is brought about by the intervention of USAID in concert with its development partners. Results are linked by causal relationships; i.e., a result is achieved because related, interdependent result(s) were achieved. Strategic objectives are the highest level result for which an operating unit is held accountable; intermediate results are those results which contribute to the achievement of a strategic objective. (Chapters 201, 202, 203)

#### results framework

The results framework represents the development hypothesis including those results necessary to achieve a strategic objective and their causal relationships and underlying assumptions. The framework also establishes an organizing basis for measuring, analyzing, and reporting results of the operating unit. It typically is presented both in narrative form and as a graphical representation. (Chapters 201, 202, 203)

#### results package (RP)

A results package (RP) consists of people, funding, authorities, activities and associated documentation required to achieve a specified result(s) within an established time frame. A RP is managed by a strategic objective team (or a results package team if established) which coordinates the development, negotiation, management, monitoring and evaluation of activities designed consistent with: (1) the principles for developing and managing activities; and (2) achievement of one or more results identified in the approved results framework. The purpose of a results package is to deliver a given result or set of results contributing to the achievement of the strategic objective. The strategic objective team will define one or more RPs to support specific results from the results framework. The SO team may elect to manage the package or packages itself, or may create one or more sub-teams to manage RPs. In addition, strategic objective teams create, modify and terminate results packages as required to meet changing circumstances pursuant to the achievement of the strategic objective. Thus, typically a results package will be of shorter duration than its associated strategic objective. (Chapters 201, 202, 203, 204, 250, 305)

#### Results Package Data Base

A results package data base consists of the data and information related to the actions, decisions, events, and performance of activities under a results package. (Chapters 201, 202, 203)

#### Results Review and Resource Request (R4)

The document which is reviewed internally and submitted to USAID/W by the operating unit on an annual basis. The R4 contains two components: the results review and the resource request. Judgement of progress will be based on a combination of data and analysis and will be used to inform budget decision making. (Chapters 103, 201, 202, 203, 204, 250)

#### Review Workshops

Workshops which involve key participants in an SO/RP or even a particular element of an RP in collectively evaluating performance during the previous implementation period

and planning for the forthcoming period. Participants are normally representatives of partners, customers, counterparts, other donors, stakeholders, and USAID . Successful workshops are often facilitated to assure that all perspectives are heard and that key findings and conclusions and consensus on modifications and plans is documented and distributed. (Chapters 201, 202, 203)

#### Special Objective

The result of an activity or activities which do not qualify as a strategic objective, but support other US government assistance objectives. A special objective is expected to be small in scope relative to the portfolio as a whole. (Chapters 201, 202, 203, 204)

#### Stakeholders

Those individuals and/or groups who exercise some type of authority over USAID resources such as Congress, OMB, Department of State, and those who influence the political process, e.g., interest groups and taxpayers. (Chapters 102, 201)

#### Strategic Objective

The most ambitious result (intended measurable change) that a USAID operational unit, along with its partners, can materially affect and for which it is willing to be held responsible. The strategic objective forms the standard by which the operational unit is willing to be judged in terms of its performance. The time-frame of a strategic objective is typically 5-8 years for sustainable development programs, but may be shorter for programs operating under short term transitional circumstances or under conditions of uncertainty. (Chapters 201, 202, 203, 204, 534)

#### Strategic Objective Agreement

A formal agreement that obligates funds between USAID and the host government or other parties, setting forth a mutually agreed upon understanding of the time frame, results expected to be achieved, means of measuring those results, resources, responsibilities, and contributions of participating entities for achieving a clearly defined strategic objective . Such an agreement between USAID and the host government may allow for third parties (e.g., NGOs) to enter into sub-agreements with either USAID or the host government or both to carry out some or all of the activities required to achieve the objective. (Details in Series 300.) (Chapters 201, 202, 203)

#### Strategic Objective Team

In general, a team is a group of people committed to a common performance goal for which they hold themselves individually and collectively accountable. Teams can include USAID employees exclusively or USAID, partner, stakeholder and customer representatives. An SO team is a group of people who are committed to achieving a specific strategic objective and are willing to be held accountable for the results necessary to achieve that objective. The SO team can establish subsidiary teams for a subset of results or to manage a results package. (Chapters 201, 202, 203, 204)

#### Strategic Plan

The framework which an operating unit uses to articulate the organization's priorities, to



manage for results, and to tie the organization's results to the customer/beneficiary. The strategic plan is a comprehensive plan which includes the delimitation of strategic objectives and a description of how it plans to deploy resources to accomplish them. A strategic plan is prepared for each portfolio whether it is managed at a country level, regionally, or centrally. (Chapters 201, 202, 203, 204)

#### Strategic Support Objective

Strategic support objectives are intended to capture and measure a regional or global development objective which is dependent on the results of other USAID operating units to achieve the objective but to which a global or regional program makes an important contribution. Therefore, the key differentiation from a strategic objective, as defined above, is that there is a recognition that the achievement of the objective is accomplished and measured, in part, through the activities and results at the field mission level. (Chapters 201, 202, 203, 204)

#### Sub-Goal

A higher level objective which is beyond the operating unit's responsibility but which provides a link between the strategic objective and the operating unit goal. Inclusion in operating unit plans is optional. (Chapters 201, 202, 203)

#### Target

See Performance Target. (Chapters 201, 202, 203)

#### Ultimate Customer

Host country people of every age, gender, and level of physical and/or mental ability who are end users or beneficiaries of USAID assistance and whose participation is essential to achieving sustainable development results. (Chapters 201, 202, 203)

#### U.S. National Interest

A political/strategic interest of the United States that guides the identification of recipients of foreign assistance and the fundamental characteristics of development assistance. (Chapters 201, 202, 203)

#### Value Engineering

A management technique using a systematized approach to seek out the best functional balance between the cost, reliability, and performance of an activity or process, with a particular focus on the identification and elimination of unnecessary costs. VE/VA can be used both in the design stage and as an evaluation tool. (Chapters 201, 202, 203)

#### Virtual Team

Members of a team who are not collocated and therefore participate primarily through telecommunication systems. (Chapters 201, 202, 203)